
SUPERIOR SOLAR PROJECT



CLEVELAND-CLIFFS INC.
The Cleveland-Cliffs Iron Company
200 Public Square, Suite 3300, Cleveland, OH 44114
P 216.694.5700 clevelandcliffs.com

April 13, 2021

VIA EMAIL GoemanS@michigan.gov
VIA U.S. MAIL
Cashier's Office
Attn: Scott Goeman, Manager, Real Estate Services
Michigan Department of Natural Resources
P.O. Box 30451
Lansing, MI 48909-7951

Re: Land Transaction Application – Sale

Dear Mr. Goeman:

Enclosed please find a completed Michigan Department of Natural Resources (“DNR”) Land Transaction Application – Purchase form for submission on behalf of applicant Superior Solar Project, LLC (“Superior”)¹ and The Cleveland-Cliffs Iron Company (“Cliffs” collectively with Superior, “Applicants”) in accordance with MCL § 324.2104. Applicants submit this Land Transaction Application – Sale, **Attachment 1**, and this supplemental letter requesting to modify that certain 1979 Land Use and Exchange Agreement (the “Agreement” and/or the “1979 Agreement”) between Cliffs and the DNR to ensure that solar development can occur on approximately 1,080 acres of land owned by Cliffs that is subject to the Agreement (“Amendment Area”). A copy of the Agreement is provided at **Attachment 2**.

The Applicants determined, and the DNR concurred, that the appropriate process for amending an existing land use agreement was the process set forth in MCL § 324.2104 and DNR guidance.

A check for the application fee of \$1,000 is also enclosed.

1979 Land Use and Exchange Agreement and Request

The Agreement includes the following provision, which is the interest of the State of Michigan that the application seeks to modify:

¹ Superior is a wholly owned subsidiary of Savion, LLC.

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D. The lands acquired from the State shall be open to the public for recreational uses except for such areas used for active mining operations or areas which must be restricted for safety purposes.

Recognizing that mining requires substantial power, that providing additional power to the grid in the Upper Peninsula of Michigan would help ensure grid reliability, and that installing and maintaining any security measures to protect a solar development and to restrict access for public safety reasons, arguably means that this provision of the Agreement does not prevent Cliffs from building a solar development on its lands subject to the Agreement.

Nonetheless, in an abundance of caution, to avoid any ambiguity regarding the effect of this provision on a solar development, and to ensure that Superior has all of the requisite land rights for the Project, Cliffs is seeking an amendment to the Agreement to modify this provision as to the Amendment Area. All but two parcels in the 1,080-acre Amendment Area are entirely within the Project Area where the solar facilities will be constructed. The two exceptions are parcels that extend outside the Project Area.² Applicants request an amendment to the Agreement so that it will expressly authorize the construction and operation of the Project within the Amendment Area. The modification will enable Superior to expend funds for the further development and design of the Project. Cliffs proposes that the DNR relinquish the right of public recreational use to the land within the Project Area.

Cliffs recognizes there may be other options available to ensure the Project can operate. Superior does not intend to, and will not, affect public access to the MDNR-designated snowmobile trail UP 8 that traverses the Project Area, other than minor modifications to the trail location to accommodate the Project. Superior understands that the MDNR may require a separate agreement with Superior to document this commitment.

The Project, Its Economic, Renewable Energy and Climate Change Benefits

Superior has entered into an option agreement with Cliffs to use its property for the Project. The total acreage under agreement is 2,472 acres. Of that, approximately 1,056.3 acres located within

² For efficiency in determining legal boundaries, Superior seeks to modify the 1979 Agreement as to the entirety of two forty-acre parcels in Section 19, Township 47N, Range 25W that straddle the Project Area boundary, even though portions of said parcels are not within the Project Area. Of the 1,080 acres in the Amendment Area, 1,056.3 acres are within the Project Area, 23.7 acres are adjacent to the Project Area.

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the Project Area is subject to the 1979 Agreement. The 1,080-acre Amendment Area is approximately 12 percent of the total acres subject to the Agreement (8,931.38 acres).

As representatives of Superior have discussed with the DNR, Superior proposes to construct a 150 megawatt solar farm that will be capable of providing clean, renewable electricity to more than 35,000 – 40,000 average Michigan homes every year. The Project will not produce emissions of carbon dioxide (“CO₂”), particulate matter, sulfur dioxide (“SO₂”), nitrogen oxides (“NO_x”), carbon monoxide, volatile organic compounds, or any other air pollutant emissions. This renewable energy is expected to replace fossil-fueled generation and would result in a reduction in greenhouse gas emissions.

Estimates of nitrogen oxides (“NO_x”), sulfur dioxide (“SO₂”) and carbon dioxide (“CO₂”) emissions offset by the generation capacity of 150 MW from the Project were calculated using U.S. Environmental Protection Agency’s (USEPA’s) Power Profiler tool based on eGRID 2018 data (released January 2020). These emissions were based on the fuel mix for the Project region. The estimated emissions offset by the Project are shown in the table below:³

Pollutant	MROE Emission Rates (lbs/MWh)	Offset (ton/year)
NO _x	0.9	591.3
SO ₂	0.9	591.3
CO ₂	1,678.0	1,102,446.0

The Project will be located on undeveloped land, zoned OS – Open Space, generally located south of County Road 480, west of State Highway M-553, north of the Union Pacific Canadian National Railroad, and east of Goose Lake (“Project Area”).⁴ The Project Area is comprised of approximately 2,335 acres located entirely in Sands Township. This area represents less than 1% of the land in Marquette County. A figure showing the Project Area with the preliminary layout is enclosed as **Attachment 3**.

³ Source: EPA Power Profiler Tool, accessed October 26, 2020
(<https://www.epa.gov/egrid/power-profiler#/MROE> accessed October 2020)

⁴ Sands Township granted a special use permit for the Project on December 15, 2020.

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Construction and operation of the Project will create substantial economic benefits, estimated as follows:

- \$100,000,000 to \$150,000,000 capital investment in Marquette County
- \$15,000,000 to \$20,000,000 in new tax revenue over 30 years
- 200-plus temporary construction jobs
- 1-2 permanent full-time jobs

The Project will generate emissions-free energy on land in which the DNR holds an interest in furtherance of state and DNR renewable energy and climate change goals. For example, Executive Directive 2020-10 directs:

Michigan will aim to achieve economy-wide carbon neutrality no later than 2050, and to maintain net negative greenhouse gas emissions thereafter. To ensure steady progress toward this ultimate statewide goal, and to prevent irreparable harm to our ecosystem, residents, and businesses in the interim, the state will aim to achieve a 28% reduction below 2005 levels in greenhouse gas emissions by 2025.

Similarly, the Upper Peninsula Energy Task Force was directed to “consider all available information and make recommendations that ensure the U.P.’s energy needs are met in a manner that is reliable, affordable, and environmentally sound.”⁵ Among others, that task force recommended that the Department of Environment, Great Lakes, and Energy provide assistance to local communities in the U.P. seeking to support the development of renewable energy.⁶ The task force noted:

As indicated in the approved IRPs filed by U.P. utilities, renewable energy is a cost-effective resource that can provide a number of potential benefits for the U.P. Increasing the share of renewable energy in the U.P. will promote a cleaner electric grid and potentially reduce electricity costs, as solar and wind can be built for

⁵ See https://www.michigan.gov/documents/egle/Report-UPETF-Phase-II_720856_7.pdf at iii.

⁶ *Id.* at 45.

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less than traditional coal or natural gas-fired generation. Renewables can also contribute to the local tax base and provide communities with much-needed financial support as well as supporting clean energy jobs within the region. Also, since the U.P. relies on electricity imports for over one-quarter of its electricity, expanding renewable energy development throughout the region can help to make the grid more reliable.⁷

With respect to the DNR specifically, DNR's 2013 Managed Public Land Strategy states the goal of establishing "[a] renewable energy industry that becomes competitive by capitalizing on Michigan's unique geology."⁸ That strategy is currently undergoing review and update, and the draft includes strategies and goals related to climate change and renewable energy. For example, Strategy 4 aims to "[d]etermine the potential of locating utility scale renewable energy on DNR-managed public lands."⁹

Closing

Thank you for your attention to this application. If any additional information or materials are needed or would be helpful to process this application, please do not hesitate to call or email using the contact information provided in the application.

Sincerely,



Judd Davis

Real Estate and Title Specialist
Savion, LLC

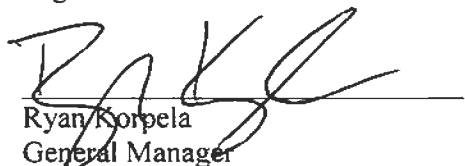
⁷ *Id.* at 21.

⁸https://www.michigan.gov/documents/dnr/Draft_DNR_Public_Land_Management_Strategy-5-24-13_422381_7.pdf at 20.

⁹ *Id.* at 16.

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Ryan Korpela
General Manager
The Cleveland-Cliffs Iron Company

cc: Randy Yelle, Sands Township Zoning Administrator, Zoning@sandstownship.org (w/encls.)

Enclosures:

Attachments:

Attachment 1: Application

Attachment 2: 1979 Land Exchange Agreement

Attachment 3: Project Layout



Michigan Department of Natural Resources – Real Estate Services Section

LAND TRANSACTION APPLICATION - PURCHASE*By authority of Part 21 of Act 451, P.A. 1994, as amended.***DNR Cashier's Use Only (LTA)**

This application provides the opportunity to propose a purchase of State-owned land.

Please provide a full and complete legal description or identify the Department of Natural Resources (DNR) Parcel ID Number of the lands you desire to purchase. A survey may be required. **Attach map(s)** and include additional pages, if necessary. Complete all requested information and sign and date on page 2. Be advised that direct sales often are only granted to resolve longstanding trespass issues and/or on landlocked parcels where the applicant is the only abutting owner.

Payment of \$300 (for State-owned land totaling 300 acres or less) must accompany this application. Please enclose a check or money order made payable to "State of Michigan." For State-owned land totaling more than 300 acres, a reasonable fee will be charged (based on the complexity of the application) and the applicant will be notified of this fee. Applications will NOT be reviewed without payment.

You will be notified if the application is complete or if additional information is required within 60 days after the application is received. If additional information or an appraisal is required, the application will not be deemed complete until all requested information and/or payment for the appraisal is received by the DNR.

Public Act 238 of 2018 requires once an application is deemed complete, the DNR has six (6) months to approve or deny the application, unless the applicant and the DNR agree to waive the requirement. (See acknowledgment on page 2)

APPLICANT INFORMATION

Name of Applicant(s) Superior Solar Project, LLC and The Cleveland-Cliffs Iron Company	Organization Savion, LLC and The Cleveland-Cliffs Iron Company
Mailing Address 422 Admiral Blvd. (Superior) 200 Public Square, Ste 3300 (Cliffs)	Telephone Number (including area code) 913-579-5617 (Superior) 216-287-6605 (Cliffs)
City, State, ZIP Kansas City, MO 64106 Cleveland, OH 44114	E-mail Address: jmdavis@savionenergy.com gabriel.johnson@clevelandcliffs.com

DESIRED STATE-OWNED LAND

DNR Parcel ID Number n/a	County Marquette	Township Name Sands	Section(s) 19, 20, 21, 28, 29	Town 47 N	Range 25 W
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Legal Description:

Section 19: The Northeast Quarter of the Northeast Quarter (NE ¼ NE ¼), containing Forty (40.00) acres, more or less; AND Southwest Quarter of the Northeast Quarter (SW ¼ NE ¼), containing Forty (40.00) acres, more or less; AND South Fractional Half of the Northwest Fractional Quarter (Sfrl ½ NWfrl ¼), containing Seventy-Four and Seventy-Three Hundredths (74.73) acres, more or less; AND Southwest Quarter of the Southeast Quarter (SW ¼ SE ¼), containing Forty (40.00) acres, more or less.

Section 20: East Half of the Northeast Quarter (E ½ NE ¼), containing Eighty (80.00) acres, more or less; AND Southwest Quarter of the Northeast Quarter (SW ¼ NE ¼), containing Forty (40.00) acres, more or less; AND East Half of the Southeast Quarter (E ½ SE ¼), containing Eighty (80.00) acres, more or less; AND Southwest Quarter of the Southeast Quarter (SW ¼ SE ¼), containing Forty (40.00) acres, more or less.

Section 21: The West Half of the Northwest Quarter (W ½ NW ¼), containing Eighty (80.00) acres, more or less; AND Southwest 1/4 of the Southwest Quarter (SW ¼ SW ¼), containing Forty (40.00) acres, more or less.

Section 28: The West Half (W ½) of the Northwest Quarter (NW ¼), containing Eighty (80.00) acres, more or less; AND West Half of the Southwest Quarter (W ½ SW ¼), containing Eighty (80.00) acres, more or less.

Section 29: The North Half of the Northeast Quarter (N ½ NE ¼), containing Eighty (80.00) acres, more or less; AND The North Half of the Northwest Quarter (N ½ NW ¼), containing Eighty (80.00) acres, more or less; AND The Southwest Quarter of the Northwest Quarter (SW ¼ NW ¼), containing Forty (40.00) acres, more or less; AND The Southeast Quarter (SE ¼), containing One Hundred Sixty (160.00) acres, more or less.

Acres: _____

Complete page 2.

Please answer the following questions. Attach additional pages, if necessary.

DESIRED STATE-OWNED LAND

Does the desired State-owned land adjoin your present ownership? ☒ Yes ☐ No

Explain your use for the desired State-owned land:

Superior Solar proposes to use approximately 1,080 acres of Cleveland-Cliffs' property that is subject to that certain DNR 1979 Land Exchange Agreement for an approximately 150 MW solar energy project pursuant to an agreement. Project facilities to be installed, constructed, maintained, operated, repaired, relocated and removed on the land include, without limitation: solar panels, racking and mounting equipment, inverters, underground electrical collection lines, point of interconnection facilities, substation(s), energy storage facilities, a temporary laydown yard for purposes of construction and maintenance/repairs, and operations and maintenance building(s).

It is recommended you discuss the proposal with the local DNR land manager prior to submitting this application.

Have you discussed this proposal with the local DNR land manager? ☒ Yes ☐ No

Provide the name of the local DNR land manager and summarize ANY comments:

Meetings were held with the DNR on December 7, 2020 and on February 5, 2021 to discuss the Project. Superior Solar also had follow up communications with DNR Real Estate Manager Scott Goeman.

I have received the "Land Exchanges and Sales Guide". ☒ Yes ☐ No

PURCHASE APPLICATION ACKNOWLEDGEMENT

By checking these boxes and signing this application, I/we understand and acknowledge:

- ☒ If an appraisal is deemed necessary for the land requested, I/we will be responsible for all associated costs the DNR incurs in obtaining an appraisal. Payment for the appraisal costs must be received within 21 days from the date of the appraisal invoice or the application will be denied.
- ☒ I/we have ten (10) calendar days to accept the sales price upon notification by the DNR or I/we waive the requirement that the DNR has six (6) months to approve or deny the application as required by Public Act 238 of 2018.
- ☒ The submission of this application and application materials does not guarantee approval that this land purchase will be granted.
- ☒ If my application is denied, no refund or reimbursement will be made for the expenses incurred in submitting the application, including appraisals, surveys and/or any other application materials.

DocuSigned by:

I certify that all information provided is true and correct to the best of my knowledge.

By: Aaron Lipscomb
Name: Aaron Lipscomb
Title: Authorized Person, Superior Solar Project, LLC

04/14/2021

Date

By: Scott Bimety
Name: A641E14A9D434CA...
Title: Authorized Person, Superior Solar Project, LLC

4/14/2021

Date

By: Ryan Korpela
Name: Ryan Korpela
Title: General Manager, The Cleveland-Cliffs Iron Company

4-14-21

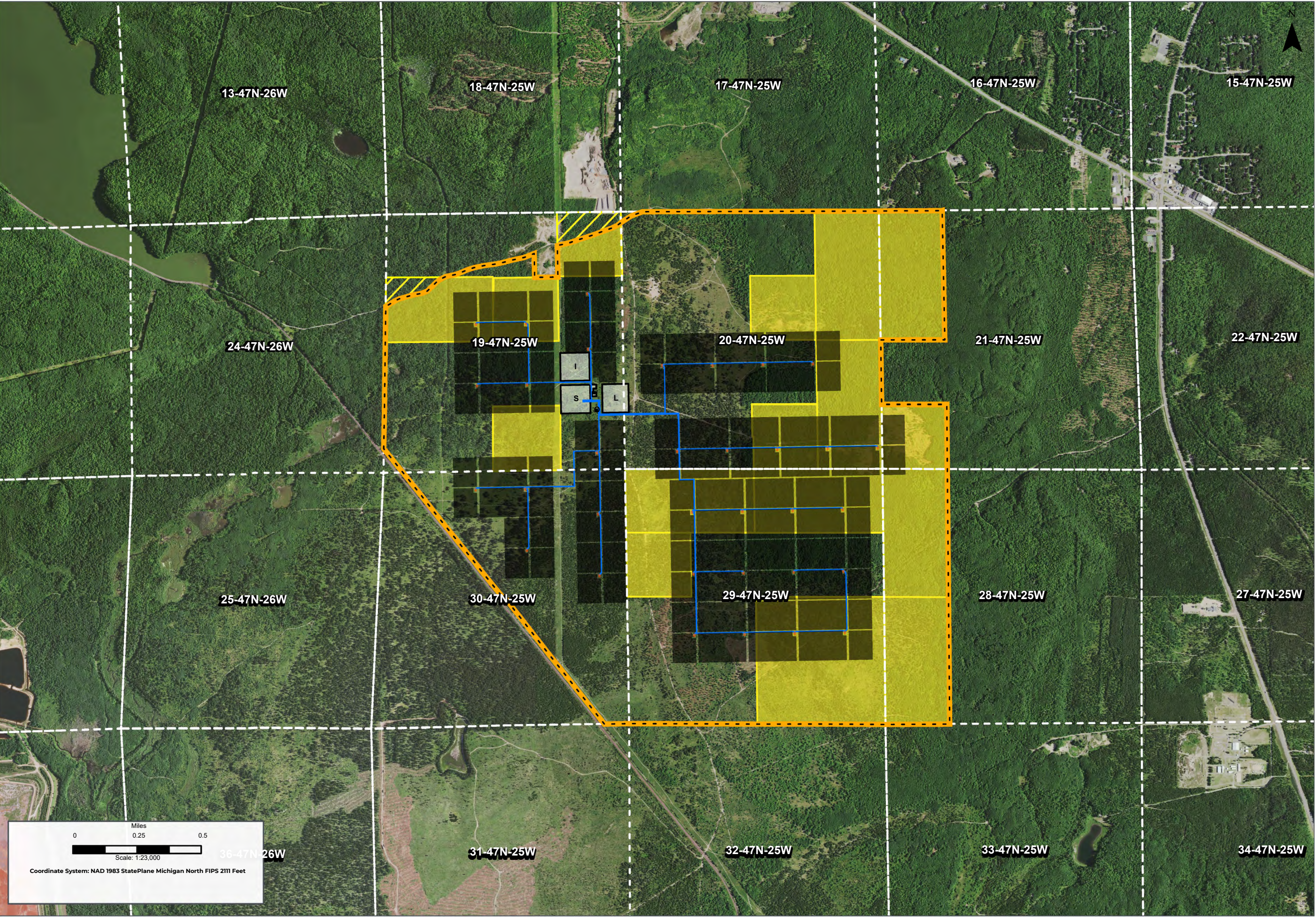
Date

If you have questions regarding the completion of this Application, please contact Michigan Department of Natural Resources, Real Estate Services Section, telephone 517-284-5941.

Mail completed application and check, or money order made payable to the "State of Michigan" to:

**CASHIER'S OFFICE
MICHIGAN DEPARTMENT OF NATURAL RESOURCES
PO BOX 30451
LANSING MI 48909-7951**

SUPERIOR SOLAR PROJECT



Cleveland-Cliffs Iron Company - MI DNR Land Exchange Agreement Amendment

- Affected Parcels Within Superior Project Boundary aka Amendment Area
- Affected Parcels Outside Superior Project Boundary aka Amendment Area
- Project Area

Solar Array

- Inverter
- Panel

Electrical

- UG Collection

Facilities

- I Interconnection
- S Substation
- E Energy Storage
- L Laydown Yard
- O O&M

NOTE: DESIGN LAYOUT, INCLUDING SOLAR ARRAY, ELECTRICAL, AND FACILITIES, IS PRELIMINARY AND SUBJECT TO CHANGE.



SUPERIOR
Marquette County, Michigan

Date: 4/12/2021

Analyst: ehunsicker